



Let's Talk Budget: ADHS/DBHS FY'09 Recap and Planning for FY'10

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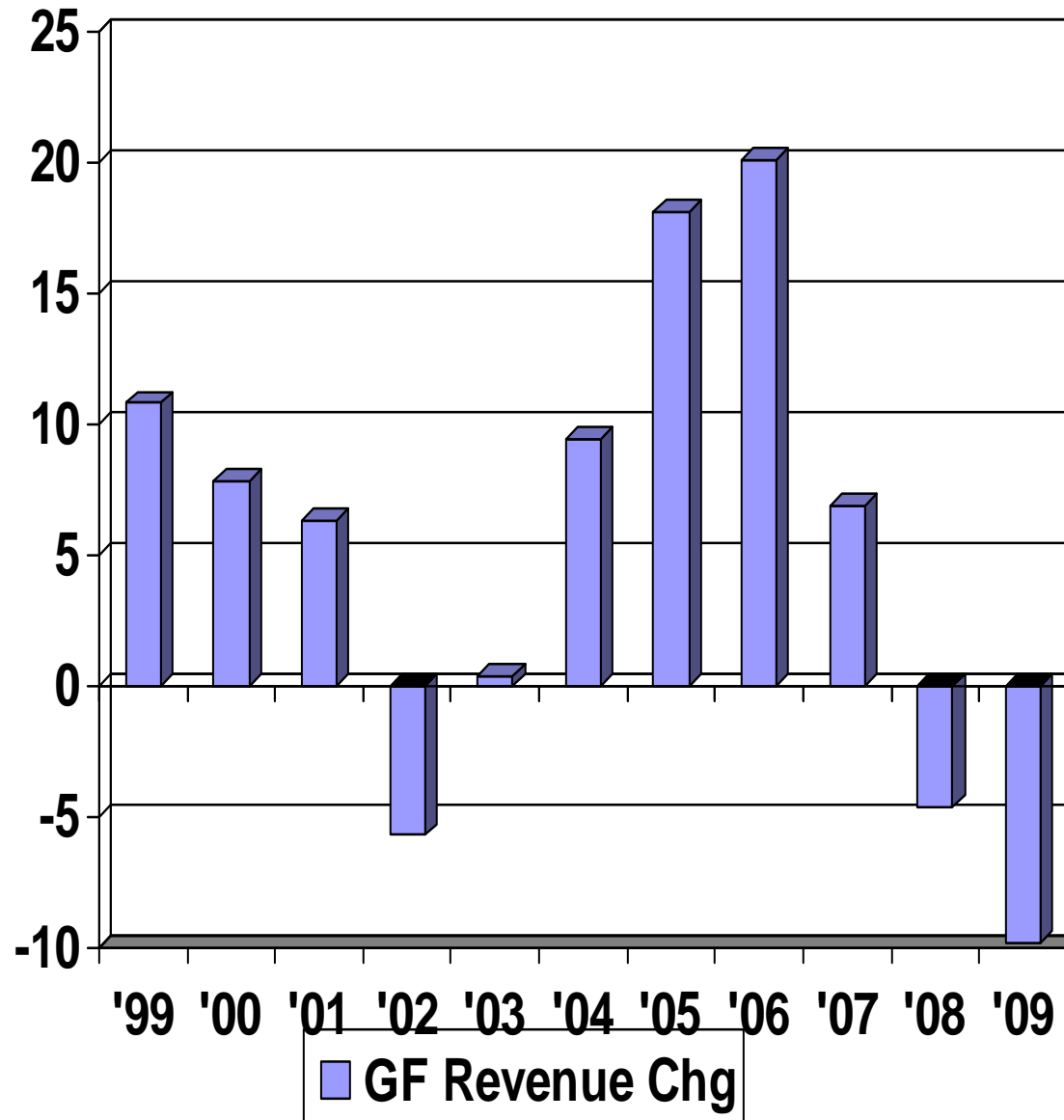
Outline

- Review of Arizona's budget situation
- Overview of Department of Health Services (DHS) budget and programs
- Overview of Division of Behavioral Health Services (DBHS) budget and programs
- Summary of FY'09 adjustments and rationale
- Planning for FY'10...planning together

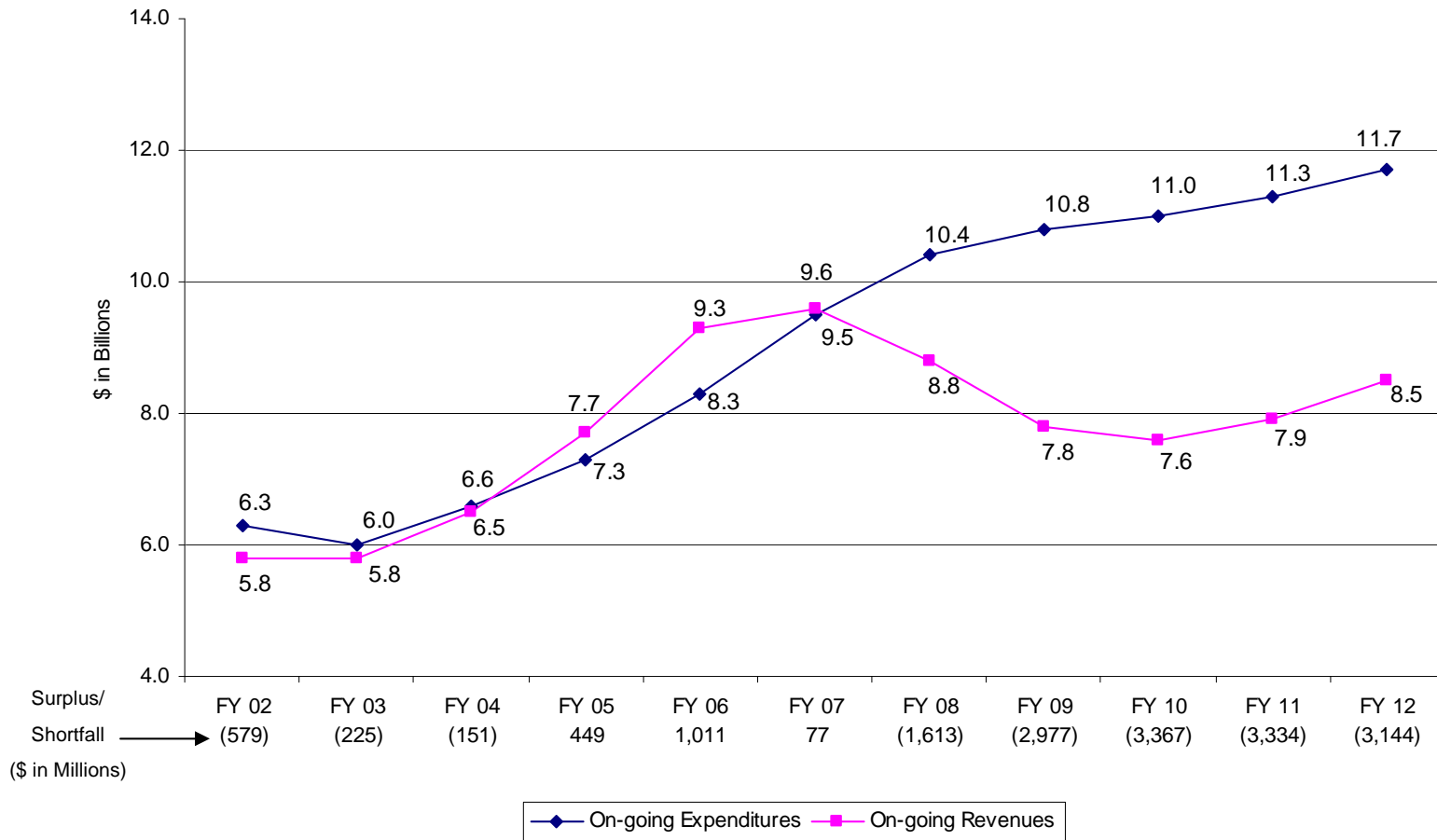


Review of Arizona's budget situation

General Fund Revenue Trends

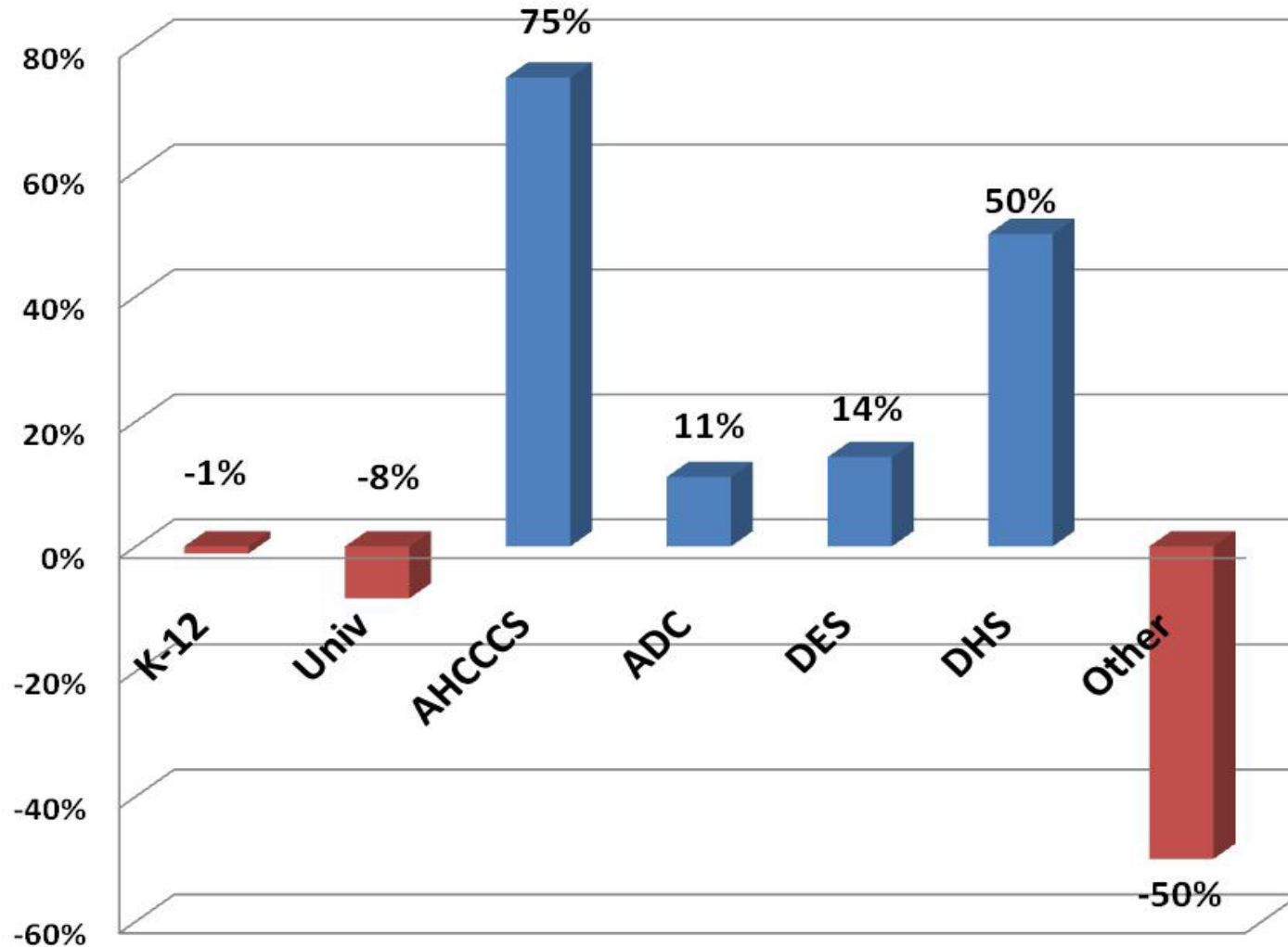


Structural Shortfall Remains Substantial through FY 2012



Where is the money going?

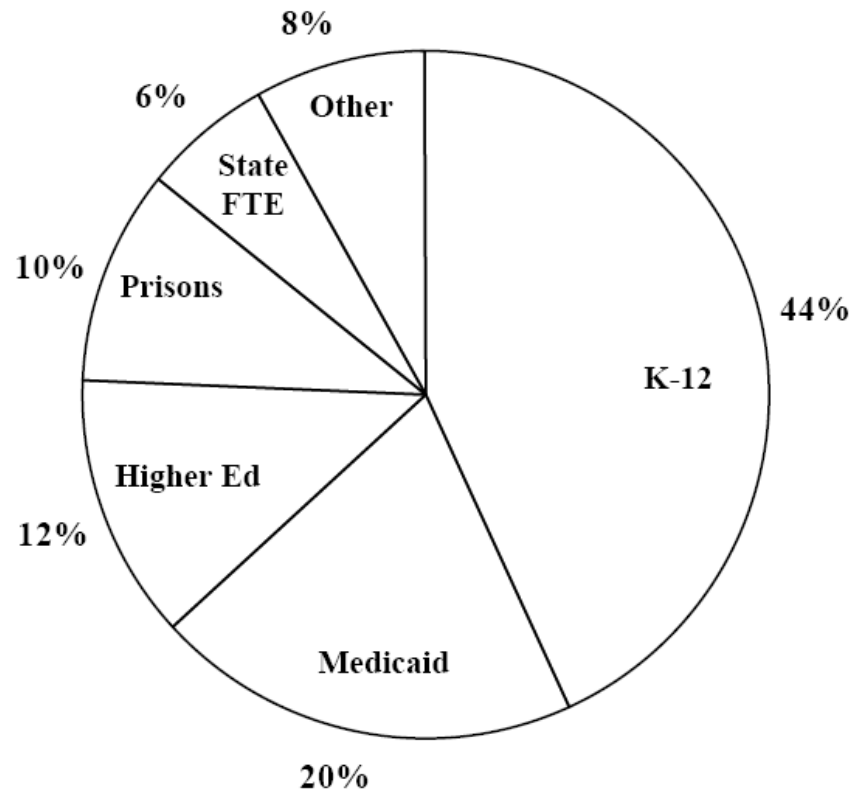
% Change in “slice of the GF pie”

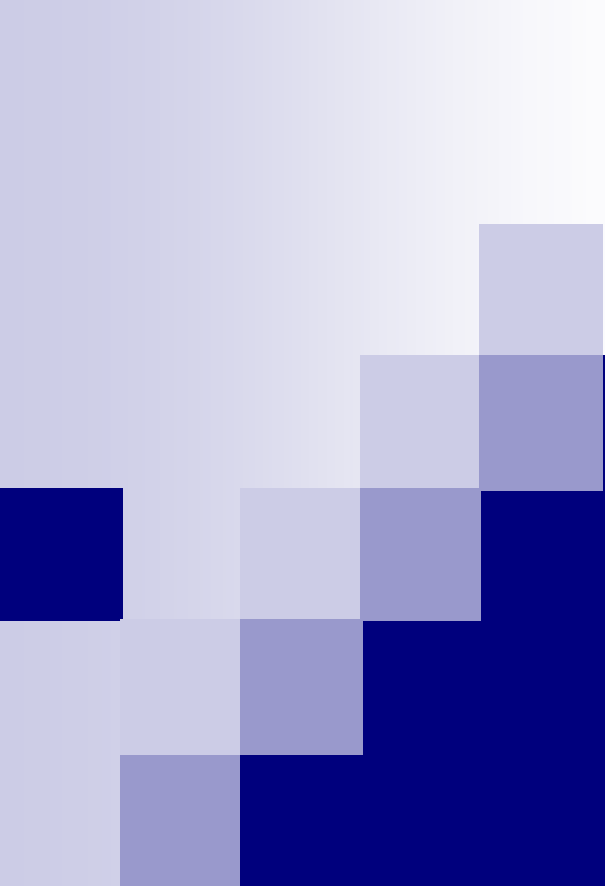


**Fiscal
Years
1999-
2009**

5 Major Activities Account for 92% of General Fund Spending

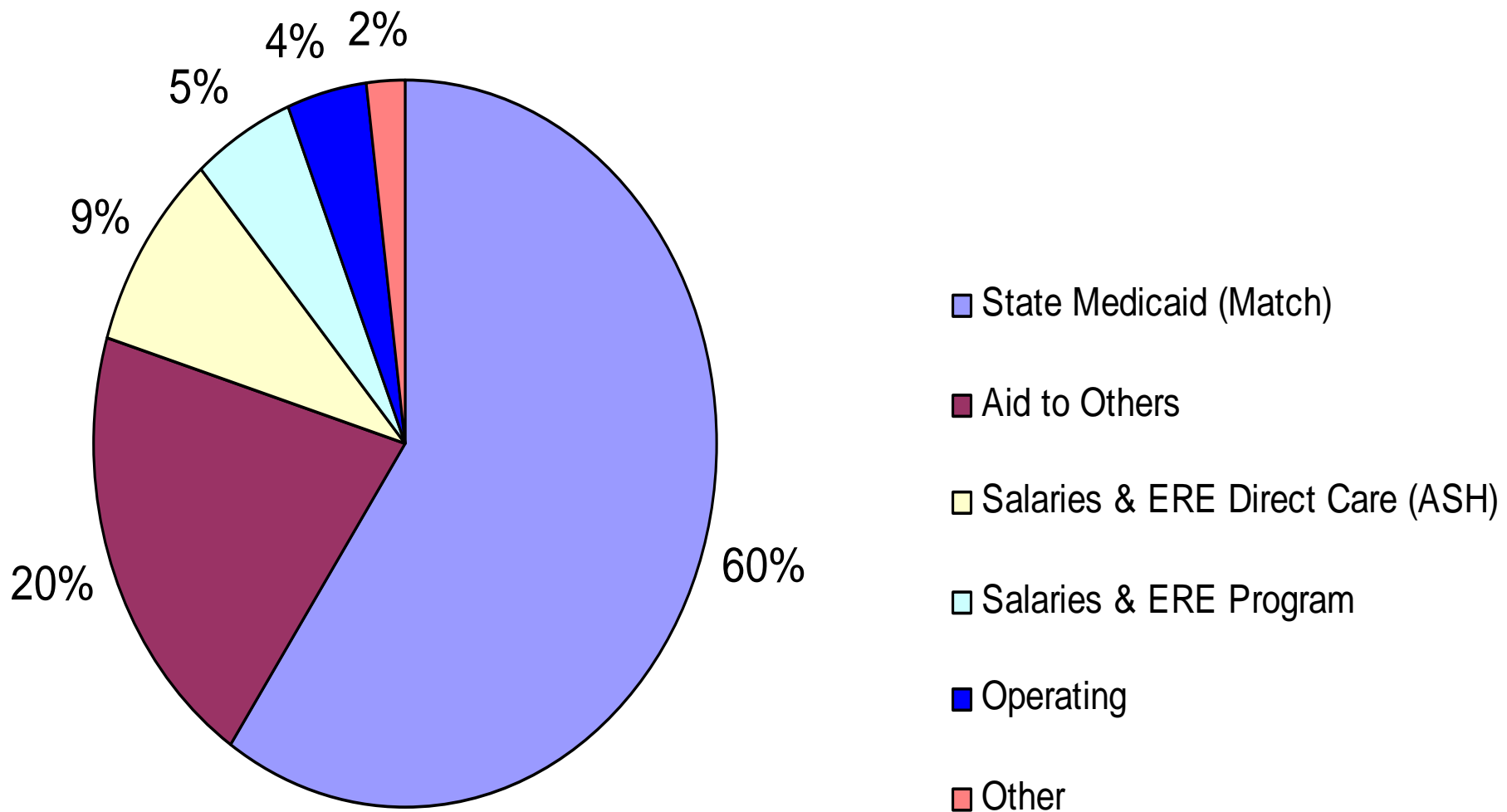
| | <u>\$ in M</u> |
|---------------|----------------|
| K-12 | \$ 4,253 |
| Medicaid | 2,002 |
| Higher Ed | 1,228 |
| Prisons | 1,022 |
| State Workers | 604 |
| Other | <u>797</u> |
| Total | \$ 9,906 |





Overview of Department of Health Services (DHS) budget and programs

DHS FY09 GENERAL FUND EXPENDITURE





\$2.1 billion in total expenditures (2008) (3/4 passes through ADHS)

- \$1B from Federal funding sources
 - \$666m from Medicaid
 - \$333m from federal grants
- \$1B from non-Federal sources
 - \$611m from General Fund
 - \$365m for State match to draw down Medicaid
 - \$83.7m for non-TXIX members
 - \$60m for State Hospital
 - Misc other GF appropriations
 - \$400m from various other contracts
 - Tobacco tax
 - Substance abuse services fund
 - Lottery



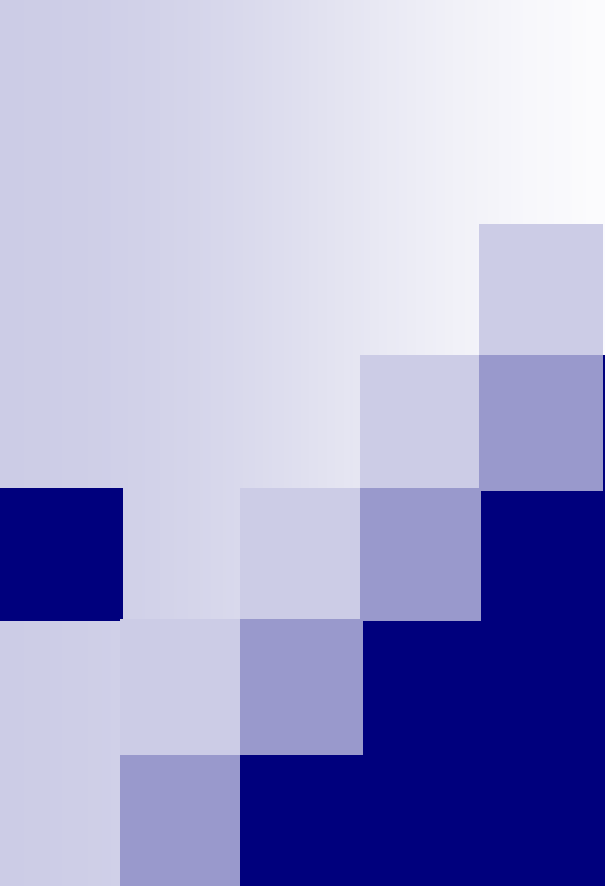
ADHS Program Overview

- Community Behavioral Health Services
- Arizona State Hospital
- CRS
- Vaccines and Immunizations
- State Lab
- Hepatitis C Surveillance
- Tuberculosis care and control
- Diabetes prevention and control
- Community Health Centers
- Alzheimer's research



ADHS Program Overview...con't

- Scorpion antivenom
- Sickle cell anemia testing/education
- Breast/cervical cancer screening
- Senior food program
- Licensing services
- Loan repayment
- Disaster preparedness
- Telemedicine
- Adult cystic fibrosis
- Poison control centers; teratogen phone line
- High-risk perinatal services



Overview of Division of Behavioral Health Services (DBHS) budget and programs

Behavioral Health Funding* - 2008

| Fund Source | FY 2008 Funds | Percent of Total |
|-----------------------------|------------------------|------------------|
| Title XIX | \$640,329,185 | 55.73% |
| Title XIX Proposition 204 | \$282,961,826 | 24.63% |
| TXXI | \$19,223,605 | 1.67% |
| Federal Funds (grants) | \$41,577,800 | 3.62% |
| Non-Title XIX General Funds | \$119,003,900 | 10.36% |
| County Funds | \$42,028,800 | 3.66% |
| Other (1) | \$3,918,600 | 0.34% |
| Total Funding | \$1,149,043,716 | 100.00% |

(1) Other includes PASRR, Liquor Fees, City of Phoenix LARC, COOL Program, Comcare Trust, Indirect, Crisis Counseling Immediate Services Program



DBHS Program Overview: Covered Services

- **Support Services**
- **Behavioral Health Day Programs**
- **Prevention Services**
- **Rehabilitation Services**
- **Medical Services**
- **Treatment Services**
- **Crisis Intervention Services**
- **Inpatient Services**
- **Residential Services**



DBHS Program Overview...best practices

Employment Support

Promoting independence through a continuum of vocational education and work support services

Supported Housing

Supporting skills and strengths that allow vulnerable members to be successful in community living environments

Peer Support

Promoting natural supports and use of peers in recovery to assist skill development and self-empowerment

ACT teams

Assertive Community Treatment teams to support individuals needing more intensive community supports

Wraparound Services/Child and Family teams

Fostering resiliency for children and families through individualized, strengths-based, flexible, community-based services

Other Covered Services

Case management, medication, counseling crisis services, health promotion, respite



Summary of FY'09 adjustments and rationale

Current Impacts to FY'09

| Special Line Item | Total General Fund Appropriation | % Reduction | FY09 Reduction |
|-------------------------------|----------------------------------|-------------|----------------|
| Children's Behavioral Health | 8, 851,800 | 6% | 531,108 |
| Mental Health | 2,447,300 | 20% | 500,000 |
| Substance Abuse | 11,135,400 | 13% | 1,500,000 |
| Serious Mental Illness | 61,116,700 | 7% | 4,167,002 |
| Arnold v. Sarn | 27,500,000 | 5% | 1,350,000 |
| Dual Eligible Part D. | 802,600 | 42% | 335,808 |
| Community Placement Treatment | 5,574,100 | 41% | 2,310,930 |
| Total | | | \$10,694,848 |

FY'09 Savings

- **DHS Administration/personnel** (excluding Hospital)
 - \$5.94m
 - 18%
 - 29% vacancy rate within DBHS

- **Administration/personnel** (Hospital)
 - \$2.16m
 - 4%



Policy Decisions for Immediate Implementation

- Require all individuals to comply with financial screening and eligibility process. (ARS 36-3408)
- Charge individuals who are non-TXIX a sliding fee for services. Allow providers to deny services without co-pay. (ARS 36-3409)



Policy Decisions for Immediate Implementation...con't

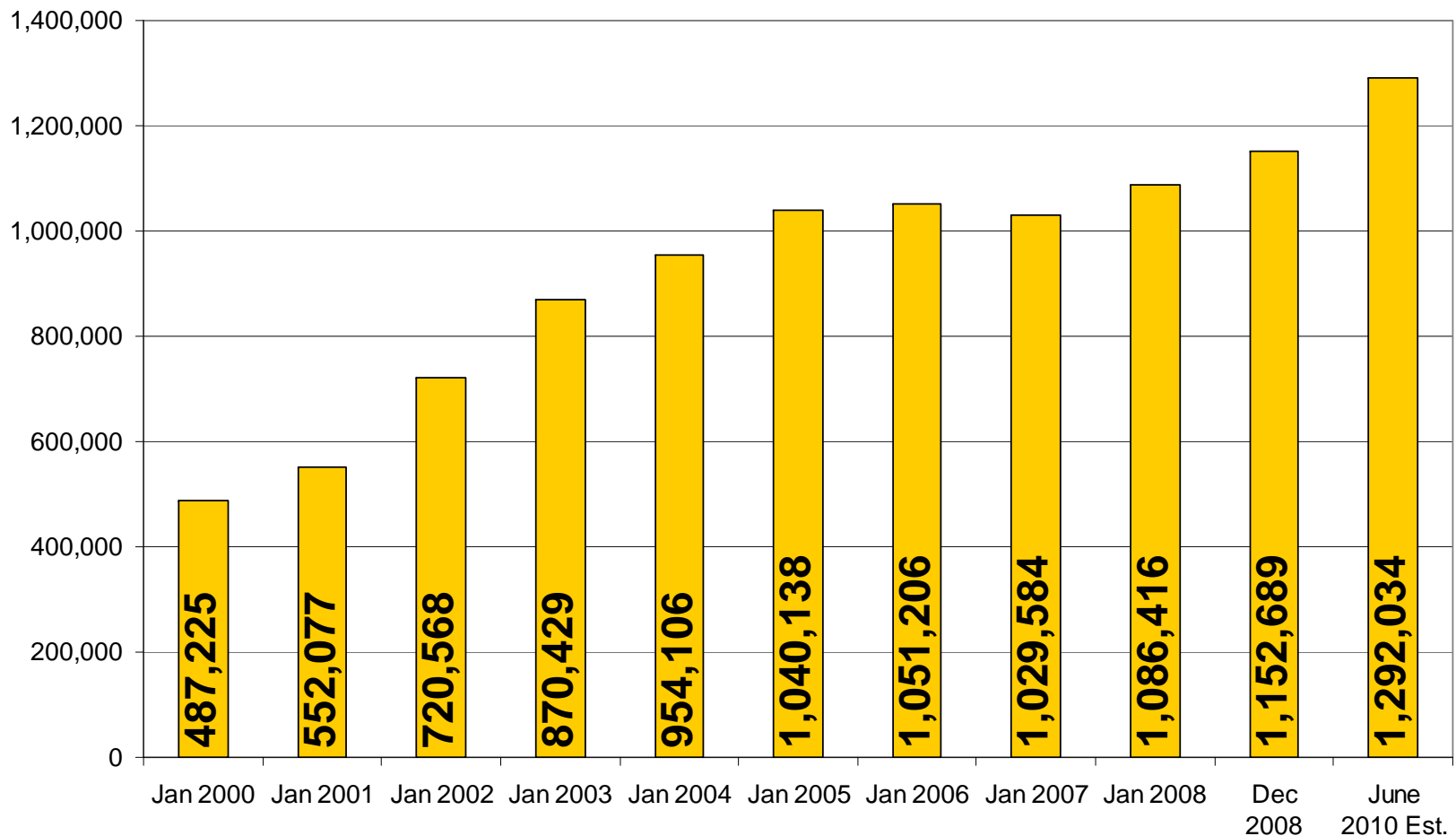
- No longer provide court-ordered treatment services to individuals who are non TXIX, non SMI.
- Require Prior Authorization and Re-Authorization of Residential Services for all members.
- Avoid the use of Single Case Agreements for non-TXIX Members.



Planning for
FY'10...planning together

Total AHCCCS Enrollment

Jan 2000 – Dec 2008 and June 2010 Est.



Source: AHCCCS Eligibility & Enrollment Reports (excludes SLMBs, QI-1s, and HealthCare Group).

Enrolled Population – Feb. 2009

| Populations | AHCCCS Eligible | AHCCCS Enrolled | State-Only Enrolled | Total Enrolled |
|-------------|-----------------------|-----------------|---------------------|----------------|
| Children | 561,952 | 37,595 | 5,624 | 43,219 |
| Adult-GMH | 480,227 (combined) | 39,423 | 15,984 | 55,407 |
| Adult –SA | | 12,982 | 8,549 | 55,407 |
| Adult -SMI | | 22,543 | 15,236 | 37,779 |
| Total | 1,042,179 | 112,543 | 45,393 | 157,936 |



Projected Shortfall for FY10

- Current estimates at \$3 billion shortfall
- Still no clear direction on what portion would be ADHS' share.



Considerations for FY10 reductions

- Impact of AHCCCS enrollment increases
- Recovery and resiliency focus
- Protection of the most vulnerable populations
- Implications on Arnold v Sarn lawsuit
- Necessary Statutory and Rule changes



Our Vision

All Arizona residents touched by the public behavioral health system are easily able to access high quality prevention, support, rehabilitation and treatment services that have resiliency and recovery principles at their core, which assist them in achieving their unique goals for a desired quality of life in their homes and communities.